Development and Expansion of Dairy Industry

1919. SHRI LALIT SURI: Will the Minister of AGRICULTURE be pleased to state:

(a) whether, in view of India being the larget producer of milk in the world, Government have drawn up a long term programme for the development and expansion of dairy industry in the country;

(b) whether participation of International dairy companies is also expected in the programme; and

(c) if reply to parts (a) and (b) above be in the affirmative, the details thereof, indicating the funds proposed for and the time required to implement the same?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) During the 10th Plan, Ministry of Food Processing Industries is implementing various developmental Plan Schemes for promotion of food processing industries including dairy processing industries in the country. These schemes include setting up and modernization of dairy industry units, human resources development, research and development, conducting seminars, studies and fairs and exhibitions, quality assurance, codex standards, background and forward integration and the scheme of infrastructure development for setting up of food parks, packaging centres, integrated cold chain facilities etc. For setting up/upgradation/modernization/expansion of food processing industries, financial grant is given to the extent of 25% of the cost of the plant and machinery and technical civil works subject to the ceilling of Rs. 50.00 lakhs in general areas. However, in case of difficult areas which include hilly States and north eastern States including Sikkim, the quantum of grant goes up to 33.33% subject to a ceiling of Rs. 75 lakhs.

(b) and (c) Foreign equity participation by overseas companies/NRIs is also permissible in the dairy processing sector. From July 1991 till 31st March, 2003, 35 approvals have been granted for foreign collaboration in dairy sector. The foreign equity and NRI equity with respect to these approvals are Rs. 1128.45 crores and Rs. 61.11 crores respectively.

The plan schemes implemented by the Food Processing Ministry for the development of food processing industries including dairy are demand driven and as such no separate funds have been earmarked for dairy processing sector.